

MONTANA LEGISLATIVE HISTORY

Chapter 116 19 99Bill H 442 S _____Original bill & history X CH. Committee on BUSINESS & LABORHearing Date(s) 2/4 X CEXEC. ACTION 2/5 X C

_____ C

_____ C

Date Out _____ C

S. Committee on BUSINESS & INDUSTRYHearing Date(s) 3/10 X C

a EXEC. ACTION _____ C

_____ C

_____ C

Did this bill originate in an interim committee? ____ Yes X No

Committee _____

Report _____

LEGISLATIVE HISTORIES

The 1997 Montana Legislature dramatically changed the nature of legislative minutes. This altered format continues with the 1999 legislative minutes. The minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are fuller in content.

Exhibits, which include written statements, attendant information, roll call votes, roll call attendance, a list of those from the public who were present, and specific action taken on legislative bills, will be available only through the Historical Society Archives, 444-4774, and from a CD-ROM produced by the Legislative Services Division, 444-3064.

Just as in the 1997 legislative session, the 1999 House and Senate committee hearings were recorded. For information on accessing the tapes, or purchasing them, contact the Archives, 444-4774.

If you have concerns over the format of these legislative minutes, it is suggested that you contact your state legislators.

Montana
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Montana Legislature

Detailed Bill Information



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Bill Draft Number: LC0746

[Current Bill Text](#)

Bill Type - Number: HB 442

Short Title: Allow a small brewer to charge for samples of beer

Primary Sponsor: Jay Stovall

Bill Actions - Current Bill Progress: Became Law

Bill Action Count: 45

Action - Most Recent First	Date	Votes Yes	Votes No	Committee
Chapter Number Assigned	03/23/1999			
(H) Signed by Governor	03/19/1999			
(H) Transmitted to Governor	03/18/1999			
(S) Signed by President	03/17/1999			
(H) Signed by Speaker	03/17/1999			
(C) Sent to Printing	03/17/1999			
(H) Returned from Enrolling	03/16/1999			
(H) Sent to Enrolling	03/16/1999			
(S) Returned to House	03/15/1999			
(S) 3rd Reading Concurred	03/15/1999	47	2	
(C) Sent to Printing	03/15/1999			
(S) Scheduled for 3rd Reading	03/15/1999			
(S) 2nd Reading Concurred	03/13/1999	46	0	
(S) Scheduled for 2nd Reading	03/13/1999			
(S) Scheduled for 2nd Reading	03/12/1999			
(S) Committee Report--Bill Concurred	03/10/1999			(S) Business and Industry
(S) Committee Executive Action--Bill Concurred	03/10/1999	6	0	(S) Business and Industry
(S) Hearing	03/10/1999			(S) Business and Industry

(S) Referred to Committee	02/22/1999			(S) Business and Industry
(S) First Reading	02/22/1999			
(H) Transmitted to Senate	02/11/1999			
(H) 3rd Reading Passed	02/11/1999	88	11	
(H) Scheduled for 3rd Reading	02/11/1999			
(H) 2nd Reading Passed	02/10/1999	91	9	
(H) Scheduled for 2nd Reading	02/10/1999			
(H) Committee Report--Bill Passed	02/06/1999			(H) Business and Labor
(H) Committee Executive Action--Bill Passed	02/05/1999	17	1	(H) Business and Labor
(H) Hearing	02/04/1999			(H) Business and Labor
(C) Introduced Bill Text Available Electronically	01/30/1999			
(H) Referred to Committee	01/30/1999			(H) Business and Labor
(H) First Reading	01/30/1999			
(H) Introduced	01/30/1999			
(C) Draft Delivered to Requester	01/28/1999			
(C) Draft Ready for Delivery	01/26/1999			
(C) Draft in Assembly/Executive Director Review	01/26/1999			
(C) Draft in Final Drafter Review	01/26/1999			
(C) Bill Draft Text Available Electronically	01/26/1999			
(C) Draft in Input/Proofing	01/26/1999			
(C) Draft to Drafter/Edit Review (CAJ)	01/26/1999			
(C) Draft in Edit	01/26/1999			
(C) Draft in Legal Review	01/25/1999			
(C) Draft to Requester for Review	01/25/1999			
(C) Draft to Requester for Review	01/13/1999			
(C) Draft On Hold	01/07/1999			
(C) Draft Request Received	11/27/1998			

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Sponsor, etc.

Sponsor, etc.	Last Name/Organization	First Name	Mi
Requester	Stovall	Jay	
Drafter	Heiman	Lee	
Primary Sponsor	Stovall	Jay	

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Subjects

Description	Revenue/Approp.	Vote Majority Req.	Subject Code
Alcohol and Drugs		Simple	ALC
Trade Regulations and Competition		Simple	TRAD

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Additional Bill Information

Probable Fiscal Note: No

Preintroduction Required: N

Session Law Ch. Number: 116

DEADLINE

Category: General Bills

Transmittal Date: 02/24/1999

Return (with 2nd house amendments) Date: 04/01/1999

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Section Effective Dates

Section(s)	Effective Date	Date Qualified
All Sections	19-MAR-99	

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12/29/2004 10:17 AM Mountain Time

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House BILL NO. 442

INTRODUCED BY

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SMALL BREWER TO CHARGE FOR SAMPLES OF BEER MANUFACTURED ON THE PREMISES; LIMITING THE PLACE, QUANTITIES, AND PERIODS OF TIME THAT THE BEER MAY BE PROVIDED; AMENDING SECTIONS 16-3-213 AND 16-3-214, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 16-3-213, MCA, is amended to read:

"16-3-213. Brewers or beer importers not to retail beer -- ~~original package and taproom small~~ brewery exceptions. (1) ~~It shall be unlawful~~ Except as provided for small breweries in subsection (2), it is unlawful for any brewer or breweries or beer importer to have or own any permit to sell or retail beer at any place or premises, ~~it being the declared~~ It is the intention of this section to prohibit brewers and beer importers from engaging in the retail dispensation sale of beer, ~~provided, however, that this shall not be so construed as to~~ This section does not prohibit breweries from making sale selling and delivery of delivering beer manufactured by them, in original packages, at either wholesale or retail, ~~or from providing, without charge, their products for consumption on their licensed premises.~~

(2) (a) For the purposes of this section, a "small brewery" is a brewery that has an annual nationwide production of not less than 100 barrels or more than 10,000 barrels.

(b) A small brewery may, at one location for each brewery license, provide samples of beer that were brewed and fermented on the premises in a sample room located on the licensed premises. The samples may be provided with or without charge between the hours of 10 a.m. and 8 p.m. No more than 48 ounces of malt beverage may be sold or given to each individual customer during a business day.

Section 2. Section 16-3-214, MCA, is amended to read:

"16-3-214. Beer sales by brewers -- ~~taproom sample room~~ exception. (1) Subject to the limitations and restrictions contained in this code, a brewer who manufactures less than 60,000 barrels of beer a year, upon payment of the annual license fee imposed by 16-4-501 and upon presenting

1 satisfactory evidence to the department as required by 16-4-101, must be licensed by the department,
2 in accordance with the provisions of this code and rules prescribed by the department, to:

3 (a) sell and deliver beer from its storage depot or brewery located in Montana to:

4 (i) a wholesaler;

5 (ii) any retail licensees who are entitled to purchase beer from a brewer under this code; or

6 (iii) the public; or

7 (b) provide, ~~without charge,~~ its own products for consumption on its licensed premises without
8 charge or, if it is a small brewery, provide its own products at a sample room as provided in 16-3-213;

9 or

10 (c) do any one or more of the acts of sale and delivery of beer.

11 (2) An additional license fee may not be imposed on a brewery providing, ~~without charge,~~ its own
12 products on its licensed premises for consumption on the premises.

13 (3) This section does not prohibit a brewer located outside of Montana from shipping and selling
14 beer directly to a wholesaler in this state under the provisions of 16-3-230."

15

16 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

17 - END -

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN BRUCE SIMON**, on February 4, 1999 at 8:00 A.M., in Room 104 Capitol.

ROLL CALL

Members Present:

Rep. Bruce Simon, Chairman (R)
Rep. Bob Pavlovich, Vice Chairman (D)
Rep. Paul Sliter, Vice Chairman (R)
Rep. Joe Barnett (R)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Roy Brown (R)
Rep. David Ewer (D)
Rep. Carol C. Juneau (D)
Rep. Billie Krenzler (D)
Rep. Bob Lawson (R)
Rep. Gay Ann Masolo (R)
Rep. Gary Matthews (D)
Rep. Joe McKenney (R)
Rep. Carolyn Squires (D)
Rep. Jay Stovall (R)
Rep. Cliff Trexler (R)
Rep. Carley Tuss (D)

Members Excused: None.

Members Absent: None.

Staff Present: Stephen Maly, Legislative Branch
Pati O'Reilly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 77, HB 448, HB 442, HB 461,, 1/29/1999
Executive Action: HB 416

Steve Shirley, Helena Valley res.

{Tape : 2; Side : A; Approx. Time Counter : 144 - 228}

Kathy Collins, Helena Valley Res. EXHIBIT(buh28a03)

{Tape : 2; Side : A; Approx. Time Counter : 228 - 255}

Norma Rix, Helena resident

{Tape : 2; Side : A; Approx. Time Counter : 255 - 273}

Rep. Ahner, HD 51

{Tape : 2; Side : A; Approx. Time Counter : 273 - 318}

Laurie Kootenick, Christian Coalition

{Tape : 2; Side : A; Approx. Time Counter : 318 - 363}

Betty Waddell, Mt. Assn of Churches

{Tape : 2; Side : A; Approx. Time Counter : 363 - 394}

Ellen Angsted, Don't Gamble with the Future EXHIBIT(buh28a04)

{Tape : 2; Side : A; Approx. Time Counter : 394 - 466}

Opponents' Testimony: Kati Kentli, Montana Tavern Assn.

{Tape : 2; Side : A; Approx. Time Counter : 466 - 500}

{Tape : 2; Side : B; Approx. Time Counter : 0 - 66}

Rich Miller Gaming Industry Assn

{Tape : 2; Side : B; Approx. Time Counter : 66 - 104}

Informational Testimony: Dave Woodgerd, Dept of Revenue

{Tape : 2; Side : B; Approx. Time Counter : 104 - 121}

Questions from Committee Members and Responses: Rep. Bookout, Tuss, Squires, Pavlovich, Juneau, Masolo, Brown and McKenney question witnesses.

{Tape : 2; Side : B; Approx. Time Counter : 121 - 397}

Closing by Sponsor: Rep. Ewer closed HB 448.

{Tape : 2; Side : B; Approx. Time Counter : 397 - 422}

HEARING ON HB 442

Opening Statement by Sponsor: Rep. Stovall introduced HB 442.

{Tape : 2; Side : B; Approx. Time Counter : 422 - 467}

Proponents' Testimony: Rep. Harper,

{Tape : 2; Side : B; Approx. Time Counter : 467 - 500}

Todd Daniels, Montana State Brewers Assn

{Tape : 3; Side : A; Approx. Time Counter : 0 - 42}

Dennis Hemmelberger, Billings Brewer

{Tape : 3; Side : A; Approx. Time Counter : 42 - 68}

Tim O"Leary Kettle House Brewery of Missoula

{Tape : 3; Side : A; Approx. Time Counter : 68 - 87}

Brian Smith, Blackfoot River Brewery

{Tape : 3; Side : A; Approx. Time Counter : 87 - 98}

Kristi Blazer, Mt. Beer and Wine Wholesalers

{Tape : 3; Side : A; Approx. Time Counter : 98 - 119}

Mark Staples, Montana Tavern Assn.

{Tape : 3; Side : A; Approx. Time Counter : 119 - 147}

Bud Stephens, Mt Farm Bureau and Mt. Graingrowers Assn.

{Tape : 3; Side : A; Approx. Time Counter : 147 - 168}

Opponents' Testimony: None

Questions from Committee Members and Responses: Rep. Trexler, Krenzler, Pavlovich, Sliter, Bookout and Simon questions witnesses.

{Tape : 3; Side : A; Approx. Time Counter : 168 - 298}

Closing by Sponsor: Rep. Stovall closed

{Tape : 3; Side : A; Approx. Time Counter : 298 - 304}

HEARING ON HB 461

Opening Statement by Sponsor: Rep. Simon introduced HB 461.

{Tape : 3; Side : A; Approx. Time Counter : 304 - 460}

EXHIBIT(buh28a01)

Proponents' Testimony: Duane Steinmetz, Chairman Board of Plumbers

{Tape : 3; Side : A; Approx. Time Counter : 460 - 500}

{Tape : 3; Side : B; Approx. Time Counter : 0 - 19}

John Forkin, Pres. MT Assn of Plumbers, and Pipefitters

{Tape : 3; Side : B; Approx. Time Counter : 19 - 41}

HOUSE OF REPRESENTATIVES

BUSINESS AND LABOR COMMITTEE

ROLL CALL

DATE 2/4/99

NAME	PRESENT	ABSENT	EXCUSED
Chairman Bruce Simon	X		
Rep. Paul Sliter	X		
Rep. Bob Pavlovich	X		
Rep. Joe Barnett	X		
Rep. Rod Bitney	X		
Rep. Sylvia Bookout-Reineke	X		
Rep. Roy Brown	X		
Rep. David Ewer	X		
Rep. Billie Krenzler	X		
Rep. Bob Lawson	X		
Rep. Gay Ann Masolo	X		
Rep. Gary Matthews	X		
Rep. Joe McKenney	X		
Rep. Carolyn Squires	X		
Rep. Jay Stovall	X		
Rep. Carley Tuss	X		
Rep. Carol Juneau	X		
Rep. Cliff Trexler	X		

MONTANA HOUSE OF REPRESENTATIVES VISITORS REGISTER

DATE 2-4-99

BILL NO. HB 442

SPONSOR(S) _____

TYPE
PROPONENT (P) OPPONENT (O) INFORMATIONAL (I)

PLEASE PRINT

PLEASE
CIRCLE

NAME

ADDRESS

REPRESENTING

☒ POI	DENNIS HIMMELBERGER	PO Box 22272 BILLINGS 59104	HIMMELBERGER BREWING CO
☒ POI	Bob Stephens	Helena	Mr. Tom But MT Grain Growers Ass'n
☒ POI	Kristi Rizer	Helena	Montana Bentline Wholesale
☒ POI	Tim O'Leary	536 S 4 W MISSOULA	Kettlehouse Brewing Co
☒ POI	Brian Smith	126 Travis Ckt CLAWAY	BLACKFOOT RIVER BREWING
☒ POI	TODD DANIELS	HELENA, MT	KESSLER BREWING
☒ POI	Wade Taylor	"	Montana Grain Assoc
☐ POI			
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PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN BRUCE SIMON**, on February 5, 1999 at 8:00 A.M., in Room 104 Capitol.

ROLL CALL

Members Present:

Rep. Bruce Simon, Chairman (R)
Rep. Bob Pavlovich, Vice Chairman (D)
Rep. Paul Sliter, Vice Chairman (R)
Rep. Joe Barnett (R)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Roy Brown (R)
Rep. David Ewer (D)
Rep. Carol C. Juneau (D)
Rep. Billie Krenzler (D)
Rep. Bob Lawson (R)
Rep. Gay Ann Masolo (R)
Rep. Gary Matthews (D)
Rep. Joe McKenney (R)
Rep. Carolyn Squires (D)
Rep. Jay Stovall (R)
Rep. Cliff Trexler (R)
Rep. Carley Tuss (D)

Members Excused: None.

Members Absent: None.

Staff Present: Stephen Maly, Legislative Branch
Pati O'Reilly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HJR 15, HB 489, 2/3/1999
Executive Action: HB 353, SB 77, HB 442, HB 448,
HB 400, HB 430, HB 428, HB
367, HB 368, HB 369, HB 370,
HB 402, HB 396, HJR 15, HB 489

EXECUTIVE ACTION ON HB 353

Motion/Vote: REP. MASOLO moved HB 353 be taken from table.

Motion carried unanimously.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 26}

Motion/Vote: REP. MASOLO moved that HB 353 DO PASS. Motion carried unanimously.

{Tape : 1; Side : A; Approx. Time Counter : 26 - 100}

EXECUTIVE ACTION ON HB 442

Motion/Vote: REP. STOVALL moved that HB 442 DO PASS. Motion carried 17-1 with Trexler voting no.

{Tape : 1; Side : A; Approx. Time Counter : 100 - 108}

EXECUTIVE ACTION ON HB 448

Motion: REP. EWER moved that HB 448 DO PASS.

{Tape : 1; Side : A; Approx. Time Counter : 108 - 220}

Motion/Vote: REP. EWER moved that HB 448 BE AMENDED. Motion carried unanimously.

{Tape : 1; Side : A; Approx. Time Counter : 220 - 225}

Motion: REP. EWER moved that HB 448 DO PASS AS AMENDED.

{Tape : 1; Side : A; Approx. Time Counter : 225 - 250}

Motion: REP. EWER moved HB 448 withdrew amendments.

{Tape : 1; Side : A; Approx. Time Counter : 250 - 280}

Motion/Vote: REP. EWER moved that HB 448 DO PASS AS AMENDED.

Motion failed 7-11 with Barnett, Bitney, Bookout-Reinicke, Ewer, Juneau, Krenzler, and Simon voting aye.

{Tape : 1; Side : A; Approx. Time Counter : 280 - 300}

Motion/Vote: REP. EWER moved that HB 448 BE TABLED. Motion carried 11-7 with Barnett, Bitney, Bookout-Reinicke, Ewer, Juneau, Krenzler, and Simon voting no.

{Tape : 1; Side : A; Approx. Time Counter : 300 - 382}

HOUSE OF REPRESENTATIVES

BUSINESS AND LABOR COMMITTEE

ROLL CALL

DATE 2/5/99

NAME	PRESENT	ABSENT	EXCUSED
Chairman Bruce Simon	X		
Rep. Paul Sliter	X		
Rep. Bob Pavlovich	X		
Rep. Joe Barnett	X		
Rep. Rod Bitney	X		
Rep. Sylvia Bookout-Reineke	X		
Rep. Roy Brown	X		
Rep. David Ewer	X		
Rep. Billie Krenzler	X		
Rep. Bob Lawson	X		
Rep. Gay Ann Masolo	X		
Rep. Gary Matthews	X		
Rep. Joe McKenney	X		
Rep. Carolyn Squires	X		
Rep. Jay Stovall	X		
Rep. Carley Tuss	X		
Rep. Carol Juneau	X		
Rep. Cliff Trexler	X		

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION
COMMITTEE ON BUSINESS AND INDUSTRY**

Call to Order: By **CHAIRMAN JOHN HERTEL**, on March 10, 1999 at 9:00 A.M., in Room 410 Capitol.

ROLL CALL

Members Present:

Sen. John Hertel, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Dale Berry (R)
Sen. Vicki Cocchiarella (D)
Sen. Bea McCarthy (D)
Sen. Glenn Roush (D)

Members Excused: Sen. Fred Thomas (R)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Mary Gay Wells, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 442, 3/4/1999
HB 522, 3/4/1999
HB 615, 3/4/1999
Executive Action: HB 442; HB 522

{Tape : 1; Side : A; Approx. Time Counter : 0}

HEARING ON HB 442

Sponsor: REP. JAY STOVALL, HD 16, BILLINGS

Proponents: Todd Daniels, Kessler Brewing, Helena
Dennis Himmelberger, Himmelberger Brewing Co.,
Billings
Tim O'Leary, Kettlehouse Brewing, Missoula
Brian Smith, Blackfoot River Brewing Co., Helena
Kristi Blazer, MT Beer & Wine Wholesalers Assoc.
Mark Staples, MT Taverns Assoc.
Randy Johnson, MT Grain Growers Assoc.

Opponents: None

Opening Statement by Sponsor:

REP. JAY STOVALL, HD 16, BILLINGS. Today I bring you **HB 442**. Under current law, micro breweries can give their product away on the premise, but this bill would allow them to sell their samples on their premise. They will be limited to 48 ounces per person between the hours of 10 a.m. to 8 p.m. This is an economic bill for Montana. These Montana breweries use Montana grain and sell to Montanans. It is a win-win situation.

Proponents' Testimony:

Todd Daniels, Kessler Brewery Co., Helena, MT Brewers Assoc.
He read his testimony and handed in a copy **EXHIBIT(bus54a01)**.

Dennis Himmelberger, Himmelberger Brewing Co., Billings. I ask for your support on **HB 442** because it is a good bill for the state. Many hours were spent with the industry and they were able to reach a compromise with the MT Taverns Assoc. and the MT Wholesalers and MT Brewers. It helps to expand the economic base of Montana. Micro breweries are very popular across the country and many Americans plan vacations around visiting various breweries. I have been reluctant to promote visitation to my brewery through tourism because when they visit a brewery, they want samples. Under current law we have to give our samples away. As a small brewery, giving away samples can seriously affect your bottom line. I would be able to expand my brewing operation and more visitors would probably come to Montana as a result of this bill. It would encourage free enterprise and an entrepreneurial spirit. Montana laws pertaining to breweries have been on the books since the 1930's. It is time to update our laws. Thank you.

Tim O'Leary, Kettlehouse Brewery, Missoula. We are a four-year old brewery. We work long hours and are here today asking for your help to expand our business and to sell our own samples. Last year we sold 700 barrels of beer. We gave away 70 barrels of beer. When you are promoting a brand and build a brand,

people need to try your product. But when we have to give it away, it really hurts the bottom line. Thank you for your time.

Brian Smith, Blackfoot River Brewing Co., Helena. Forty-nine other states allow breweries to sell their product on their premise. Montana is the last on only one who doesn't. This allows small Montana breweries to sell their products on premise up to a maximum of 3 pints per day and within very limited hours. It is an economic freedom for breweries to do so. Some breweries give away quite a bit of product and customers expect that they can receive a sample. Not all breweries will take advantage of this. Many of the smaller ones will. At this point, we probably won't take advantage of this bill. But possibly at a later date, we might. It does give breweries the choice to use this tool to stay competitive. I urge your support of the bill.

Kristi Blazer, MT Beer & Wine Wholesalers Assoc. I was happy to have been part of the group that developed **HB 442**. I do want to thank all who took part in putting this bill together. It has appropriate limits in terms of the amount that can be sold to an individual customer and in terms of the hours that the breweries can sell their product. Thank you.

Mark Staples, MT Taverns Assoc. I also would thank all who were involved for coming together and compromising to put this bill together. I hope the committee would appreciate this fact. We support this bill and I hope that you will support it also.

Randy Johnson, MT Grain Growers Assoc. My members are producers of the finest malt barley in the world. There are members who are involved in building "Malt Montana" which we see as a malt house which will produce some of the finest malts in the world. We support this bill because we believe it will increase consumption of our barley and treat Montanans to yet another way of consuming our product. We would ask you to support this bill.

Opponents' Testimony: None

{Tape : 1; Side : A; Approx. Time Counter : 11.6}

Questions from Committee Members and Responses:

SEN. VICKI COCCHIARELLA asked **REP. STOVALL** how this will be monitored. Do I write my name down and get check marks when I finish my 48 oz.? **REP. STOVALL** replied that in view of this bill, the brewers are going to monitor themselves so there won't be problems. Most people will try to comply with the law.

SEN. COCCHIARELLA asked **Mr. Staples** to respond to the same question. **Mr. Staples** said that these people are good people and if there is a breaking of the law, that will come out, no doubt about it. The Justice Department doesn't always have to go out and look for law breakers, someone usually turns them in.

SEN. BEA MCCARTHY asked **Todd Daniels** that if she sampled the beers first and then purchased a keg to take home, would there be a problem? **Mr. Daniels** said that this bill only pertains to samples consumed on the premises, not what could be purchased for consumption some place else.

SEN. COCCHIARELLA said that there seems to be a problem on line 18 and the language which is stricken from the bill. **Mr. Bart Campbell, Legislative Assistant**, said that it is a complete sentence and explained it.

SEN. JOHN HERTEL asked **Mr. Staples** to look at line 29 and where 60,000 barrels are mentioned. Then on line 21, 10,000 barrels are mentioned. Is there a conflict? **Mr. Staples** said he did not believe they were in conflict. The 10,000 barrel definition is a definition of a small brewery that can engage in the sales that are spoken of in the bill. The 60,000 barrel definition is a brewery that has to have a micro brewery license. **Kristi Blazer** offered her answer. She said the 60,000 was left on purpose because that is a federal number and it is also a number by which a brewer has to go through a wholesaler for certain sales. They wanted to leave that alone. For informational purposes, there are no small brewers in Montana currently that sell more than 10,000 barrels a year. That particular type of brewery does not exist between the 10,000 and the 60,000 limit. If that brewer should exist, that brewer would not be entitled to the sample room exception.

Closing by Sponsor:

REP. STOVALL closed. This is a good bill for all concerned. I appreciate everyone who worked on the bill. I hope you would look favorably on **HB 442**. **SEN. SPRAGUE** will carry the bill on the Senate Floor.

{Tape : 1; Side : A; Approx. Time Counter : 19.7}

HEARING ON HB 522

Sponsor: **REP. ROBERT J. "BOB" PAVLOVICH, HD 37, BUTTE**

{Tape : 1; Side : B; Approx. Time Counter : 31}

There was a question from SEN. HERTEL fro Ms. Blazer. There was a question from SEN. MCCARTHY for REP. HARRINGTON.

{Tape : 1; Side : B; Approx. Time Counter : 34.5}

There were questions from SEN. SPRAGUE for Ms. Jamison.

{Tape : 1; Side : B; Approx. Time Counter : 39.3}

Closing by Sponsor:

REP. HARRINGTON closed. SEN. BOB KEENAN will carry the bill on the Senate Floor.

{Tape : 2; Side : A; Approx. Time Counter : 0}

EXECUTIVE ACTION ON HB 522

Motion/Vote: SEN. MCCARTHY moved that HB 522 BE CONCURRED IN.
Motion carried unanimously. 6-0

SEN. MCCARTHY will carry the bill on the Senate Floor.

EXECUTIVE ACTION ON HB 442

Motion/Vote: SEN. SPRAGUE moved that HB 442 BE CONCURRED IN.
Motion carried unanimously. 6-0

SEN. SPRAGUE will carry the bill on the Senate Floor.

EXECUTIVE ACTION ON HB 153

Motion: SEN. COCCHIARELLA moved that HB 153 BE removed from the TABLE. Motion carried unanimously. 6-0

Good Morning - Mr. Chairman and Members of the Committee.

For the record, my name is Todd Daniels and I am the Chief Cook and Bottle Washer at Montana's oldest brewing company - the Kessler Brewing Company. I am also a Director and representative today for the Montana State Brewers Association. I am here testifying in behalf of both organizations in favor of House Bill 442.

The Montana State Brewers Association (MSBA) represents the growing community of small breweries operating throughout the state of Montana. The Montana State Brewers Association was formed principally as an education medium to disseminate accurate and timely information to all levels of the Montana populace, regarding the increasing value and economic impact of the emerging brewing community. In doing so, the Montana State Brewers Association hopes to promote the growth of fresh Montana made products and to both interact with and educate their respective communities about the brewing process as well as the responsible consumption of alcoholic products. The Montana State Brewers Association is committed to playing a positive role in both the political and legal arenas and hopes to form strong alliances with retailers, the Montana Taverns Association, and the Montana Beer and Wine Wholesalers Association in developing and implementing modern legislation that benefits all three tiers of the current distribution system.

The Montana State Brewers Association represents over twenty licensed breweries in the state of Montana which currently ranks 3rd in breweries per capita in the nation. In 1998, these breweries conducting business in the state of Montana sold over 25,000 barrels of beer to Montana retail outlets which accounted for just over \$3 million dollars in sales. Please note that a barrel of beer is defined as 31 gallons and that each barrel sold by a brewer carries over \$11 in state and federal taxes. Montana breweries employ over 65 full time employees as well as many part time positions and each has an impact their local community with support industries.

This bill will provide an opportunity that will neither make or break many of these Montana businesses, but it will stimulate growth and marketing opportunities in each instance it is used. It will allow an injection of capital that may provide an addition job, create additional marketing opportunities but most of all give the Montana breweries a tool to compete with out of state breweries.

Today you will here the testimony of a few of these different breweries. It is interesting to see the diversity of our Montana breweries, but all of them are true Montana entrepreneurs, Montana manufacturers and Montana businessmen.

Before I conclude, I would to take the time to thank the Montana Tavern Association and the Montana Beer and Wine Wholesalers Association for their efforts and comprises to bring this bill to that table.

When you purchase a Montana made beer, you are drinking a product that started that from that grain fields of Montana and was finished by one of the many award winning breweries in this state. Each dollar you spend on a Montana made beer, goes directly back into the Montana community and economy and not out of state. Please think globally and drink locally and support House Bill 442.

DATE 3-10-99

[illegible]



SENATE STANDING COMMITTEE REPORT

March 10, 1999

Page 1 of 1

Mr. President:

We, your committee on **Business and Industry** report that **House Bill 442** (third reading copy -- blue) be concurred in.

Signed:

Sen J Hertel
Senator John Hertel, Chair

To be carried by Senator Mike Sprague

- END -

Committee Vote:

Yes 6, No 0.

SM

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DATE March 10, 1999

SENATE COMMITTEE ON Bus. & Ind.

BILLS BEING HEARD TODAY: HB 442, HB 522, HB 615

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Robert Zuccari	442-1142	ZEKE'S Dist	HB 615 HB 522 HB 442	✓	
Ralph Nelles	245-7744	Dist. Co. INTERMOUNTAIN	HB 615 HB 442 HB 522	✓	
Chad L. Godbout	723-3984	Mike High Beverages Inc.	HB 615 " 442 522	✓	
Pete Dexter Pete Decker	252-2878	Briggs Dist. Co.	615 442 522	✓	
Tommy Hummelberg	252-1200	Hummelberg's Brewing Co.	442	+	
Tim O'Leary	723-1660	Kettlehouse Brewing	442	✓	
Neil Peterson	444-1941	DOR	522	✓	
TOED DANIELS	449-6214	KEEBLER BREWING	442 HB	✓	
Randy Johnson	761-4596	MT GRAIN GROWERS ASS	HB 442	✓	
MARK STAPLES	443-4345	MT TAVERN ASSOCIATION	HB 442	✓	
Steve Browning	443-6820	Anheuser Busch	HB 522	✓	
Mona Jamison	742-5581	Wine Dist.	HB 615		✓

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY